Assurity®

Sales Idea

Single Premium Whole Life Insurance for Children

Client Scenario and Concerns

Joseph wants to give his only 5-year-old granddaughter Maddie a gift that will last longer than a toy or the latest gadget. Her parents have already set up an education savings plan to help pay for college.

Since her parents have taken care of education, Joseph wants to help Maddie with future living expenses outside of college costs. He wants to make the most of the money he has set aside, but CDs and some other investments, while low risk, offer small returns.

Solution

After talking with his agent, Joseph decides to buy Maddie a **Single Premium Whole Life policy** so the money can grow over time, as well as provide a death benefit. He puts **$2,500 to the base** and **$2,500 into the Single Premium Insurance Rider.[1] The total guaranteed death benefit[2] at the end of the first year is $57,816. Once Maddie turns 25, the guaranteed cash value[3] will be $7,831.**

Illustration based on a 5-year-old female, Juvenile

Tax questions must be referred to a qualified tax advisor.

1. Not available in all states.
2. Dividends are used to purchase additional paid-up insurance. The amount of additional insurance purchased is what the dividend, applied as net single premium, can buy at the insured's attained age. Dividends are not guaranteed and are determined by Assurity's experience relative to assumed mortality, investment performance and expenses.
3. Under current tax law, SPWL is a "modified endowment contract" (MEC); this means increases in cash values are tax-deferred until they are withdrawn. However, borrowing funds or withdrawing dividends from the policy results in a "taxable distribution" – the earnings or gain become taxable first as income. If the insured is under age 59½, the IRS also imposes a 10 percent penalty on the taxable gain.

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Policy Form No. I L1802 and Rider Form No. R I1803 underwritten by Assurity Life Insurance Company, Lincoln, NE.

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Sales Idea

Single Premium Whole Life Insurance for Pre-Retirement

Client Scenario and Concerns

John is 45 years old and married. He has $500,000 in his investment portfolio, with $100,000 put away in a CD. It is set to earn 3 percent interest compounded annually, which means it would grow into $180,611.12 at the end of 20 years.

John plans to retire in 20 years and because the investment in the CD is low risk, the return is too low to meet his retirement goals. He's especially worried since his mother recently went into a nursing home, and he's seen just how high the costs of care can be later in life.

Solution

Single Premium Whole Life with the Single Premium Insurance Rider[1] was a good solution for John. The money is accessible while maintaining low risk, but is also growing and providing life insurance. Included with his coverage is the Accelerated Death Benefit Rider, which gives him the option to access a portion of his whole life death benefit if he's diagnosed with a chronic or terminal illness.[1]

With his agent's help, **John puts $100,000 into a Single Premium Whole Life policy, adding $50,000 into the base and $50,000 into the Single Premium Insurance Rider.**[2] John also chose a dividend option of paid up additions, so any dividends[3] earned will be used to purchase additional insurance. **Because of this, the non-guaranteed cash value**[4] **will have grown to $171,066 in 20 years,** a pre-tax equivalent return of 3.78%.

Additionally, if something were to happen to him and he died prematurely at age 65, **there is a non-guaranteed death benefit of $339,995**, a pre-tax equivalent return of 8.76%.

Illustration based on a 45-year-old male, Standard Non-Tobacco

Tax questions must be referred to a qualified tax advisor.

1. Accelerated Death Benefit Rider is included in states where allowed. The chronic illness benefit is included through issue age 75. Accelerated benefits reduce the death benefit.
2. Not available in all states.
3. Dividends are used to purchase additional paid-up insurance. The amount of additional insurance purchased is what the dividend, applied as net single premium, can buy at the insured's attained age. Dividends are not guaranteed and are determined by Assurity's experience relative to assumed mortality, investment performance and expenses.
4. Under current tax law, SPWL is a "modified endowment contract" (MEC); this means increases in cash values are tax-deferred until they are withdrawn. However, borrowing funds or withdrawing dividends from the policy results in a "taxable distribution" – the earnings or gain become taxable first as income. If the insured is under age 59½, the IRS also imposes a 10 percent penalty on the taxable gain.

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Sales Idea

Single Premium Whole Life Insurance for Wealth Transfer

Client Scenario and Concerns

72-year-old Lucille is retired and living comfortably on her pension and 401k. She has $30,000 in CDs she'd like to leave to her two grandchildren to help pay for their college. At the rate college tuition is rising, she knows this won't be nearly enough.

Due to her age, a low-risk investment is important to her. Lucille would like access to the money in case of emergencies, but doesn't want to pay more taxes while on a fixed income.

Solution

Working with her agent, Lucille purchases a **Single Premium Whole Life** policy. She puts all **$30,000 to the base premium**. **Immediately, the amount she can pass to her grandchildren is $39,830 if she dies.** Included with her coverage is the Accelerated Death Benefit Rider, which gives her the option to access a portion of her whole life death benefit if she's diagnosed with a chronic or terminal illness.[1]

Additionally, the **death benefit could grow to $44,388 over the next 15 years,** if dividends[2] are paid at the current schedule and used to purchase paid up additions. **Lucille will have a gain on her money of $14,388,** while retaining access to the cash value[3] via loans and withdrawal options, if needed.

Illustration based on a 72-year-old female, Standard Non-Tobacco

Tax questions must be referred to a qualified tax advisor.

1. Accelerated Death Benefit Rider is included in states where allowed. The chronic illness benefit is included through issue age 75. Accelerated benefits reduce the death benefit.
2. Dividends are used to purchase additional paid-up insurance. The amount of additional insurance purchased is what the dividend, applied as net single premium, can buy at the insured's attained age. Dividends are not guaranteed and are determined by Assurity's experience relative to assumed mortality, investment performance and expenses.
3. Under current tax law, SPWL is a "modified endowment contract" (MEC); this means increases in cash values are tax-deferred until they are withdrawn. However, borrowing funds or withdrawing dividends from the policy results in a "taxable distribution" – the earnings or gain become taxable first as income. If the insured is under age 59½, the IRS also imposes a 10 percent penalty on the taxable gain.